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C O N F I D E N T I A L SECTION 01 OF 04 PANAMA 000875

SIPDIS

DEPARTMENT FOR WHA/CEN

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TAGS: [PREL](#) [PGOV](#) [ETRD](#) [EAGR](#) [PM](#) [POL](#) [CHIEF](#)

SUBJECT: PANAMA'S FORMER PRESIDENT GUILLERMO ENDARA DRIVES
SOLIDARITY PARTY VEHICLE IN LAST HURRAH. WHAT AN ENDARA
PRESIDENCY WOULD MEAN FOR U.S. INTERESTS.

REF: A. PANAMA 0111

[B](#). PANAMA 0802

Classified By: CHARGE D'AFFAIRES CHRISTOPHER J. MCMULLEN FOR REASONS 1.
5 (B) AND (D).

SUMMARY

[1](#)1. (SBU) His campaign may lack money and glitz and his poll numbers are stubbornly stuck in second place behind Martin Torrijos but former president Guillermo Endara (1989-1994) is confident his single-message campaign -- that he is Panama's only hope for honest government -- will catapult him to the presidency once more. But many observers say that Endara had his chance already, and the time for Endara and his aging associates has past. The most frankly protectionist of the four presidential candidates, Endara claims he wants a Free Trade Agreement that is good for the United States and for Panama. Endara plans to cooperate closely with U.S. agencies on security and law enforcement. He has said, if elected, he plans to put "big wheels" behind bars for corruption, and has mentioned President Mireya Moscoso by name. The vehicle that 67-year-old Endara has chosen for his presumably last foray into presidential politics, is Samuel Lewis Galindo's Solidarity Party, founded in 1993 as an anti-old-guard PRD offshoot, "PRD lite" as it is known in some circles. The wily Lewis Galindo, who is 76, may be Panama's only politician who stands to lose nothing on May 2. With Endara as its candidate (the latest poll gives him 29% of the vote), the party will easily pass the 4% bar it needs to survive and to secure a hefty electoral subsidy. If Endara wins, Solidarity will become the ruling party (though without a majority in the legislature). If he loses, as seems increasingly likely, the probable winner will be Martin Torrijos, whose vice presidential running mate, former Solidarity leader Samuel Lewis Navarro, is Galindo's nephew.

[1](#)2. (C) From our perspective, the biggest potential drawback to an Endara government would be the lack of young technocrats needed to implement the policies that Panama needs to pursue. Endara's principal policy advisors are well past their prime and many observers believe that a second Endara government would be even more lackluster than the first one (which missed many opportunities to change Panama's politics-as-usual). End Summary.

How To Stop the PRD?

[1](#)3. (SBU) Posing as the campaign's subversive in a field of four candidates, Endara is betting that a majority of voters will wake up on polling day (May 2) and ask themselves -- "How can I stop the Democratic Revolutionary Party (PRD) and Martin Torrijos?" -- and conclude Endara is their best hope, Endara's campaign manager and four-decade law partner Menalco Solis said. In a recent meeting with POL Counselor, Solis claimed that Endara is only 7-8 percentage points behind PRD front-runner Martin Torrijos, about half what the polls indicate. Solis explained that an Endara victory on May 2 will hinge on what he called a "historical tendency" for the Torrijos campaign to collapse as election day nears, as he loses many voters who at the last minute cannot bring themselves to vote PRD. Thousands of state workers will vote for Endara because they see him, not Arnulfista standard-bearer Jose Miguel Aleman, as their best bet to hold onto their jobs, which would be lost if the PRD wins, Solis reasoned.

"Incredible Enthusiasm"

[1](#)4. (SBU) The polls may show Torrijos has nearly 50% of the vote, Solis said, but he argued that it just doesn't "feel"

like one out of two Panamanians are really planning to vote for Martin. On the contrary, the enthusiasm for Endara on the campaign trail has been "unbelievable," he said. Solis described how a crowd in Los Santos had waited in the sun over six hours for Endara to arrive. People told Solis that the warmth of the crowds compares only to how Panamanians once greeted president Arnulfo Arias, the deceased husband of President Mireya Moscoso, Solis said.

15. (SBU) "Mark my words," Solis said, "when people see that they have a choice between Endara and the PRD, they'll vote against the PRD." This is Endara's fifth electoral campaign, Solis said, and he's never been more optimistic about his chances on May 2 than this month. Solis claimed Endara (who was president during 1989-1994) will carry the provinces of Panama, Colon, Chiriqui, Los Santos, Herrera, but not Cocle, Darien, or Comarca Kuna Yala, with Comarca Ngobe Bugle a toss up, and that Solidarity would elect 13-to-19 legislators. (Comment: Our own estimates differ sharply. With the smallest electoral base of the three leading campaigns (73,000 registered members), we think Solidarity will be lucky to win six legislative seats, up from four presently. End Comment.)

Endara: No Promises

16. (SBU) Endara refuses to make a lot of specific promises in the campaign, Solis continued (besides running an honest government, locking up corrupt bigwigs, and helping Panamanian farmers), because he does not have to. His credibility and his honesty are his main assets. Endara also has not asked big companies or wealthy individuals for contributions because he does not want to give the impression that he owes political favors to anyone. Lack of money is not impeding Solidarity's plans to get its supporters to the polls, Solis claimed, somewhat improbably.

Likely Appointees

17. (SBU) Endara has announced some names of people he plans to appoint to high office, such as first vice presidential running mate (former vice president, ambassador to the U.S.) Guillermo "Billy" Ford to head a reconstituted Planning Ministry; second vice presidential running mate (former agriculture minister) Alejandro Posse to head the agriculture ministry; (former Foreign Minister) Jose Raul Mulino to Foreign Minister; and Mercedes Arauz de Grimaldo to Attorney General. Endara has identified a candidate to head the Panama National Police (PNP), whom Solis refused to name, and expects to send him to the United States for training immediately following the election.

"We'll Put Big Wheels In Jail"

18. (SBU) As president, Endara will focus on fiscal rectitude and give his attorney general free rein to prosecute Panama's most egregiously corrupt politicians. Endara has said publicly that he will not interfere with the attorney general's work but has named Mireya Moscoso, who will step down as president September 1, as one of the "big wheels" he aims to see behind bars. He has said that he will end Parlacen (Central American Parliament) immunity for Panamanians. (Note: Former president Ernesto Perez Balladares availed himself of Parlacen immunity and current president Mireya Moscoso has plans to do the same.)

19. (SBU) Endara also says he will sponsor a complete rewrite of the constitution. When he was president, Endara tried to rewrite the constitution, which dates from the military dictatorship, through a badly drafted 1992 referendum, which failed with voters.

New Party?

110. (SBU) If elected, Endara probably will form a new political party, Solis said. Endara believes that the Arnulfista Party, which he helped found, has outlived its usefulness and has become "a bad word" for the people due to corruption.

Frankly Protectionist

111. (SBU) Solis acknowledged Endara's frankly protectionist bias, especially on agriculture. "We are more protectionist

than the other parties," he said. Endara believes that Panamanian farmers must remain capable of producing staples (rice, beans, meat, etc.) to feed the population. He also decried U.S. agricultural subsidies, claiming that opening Panama's market to subsidized U.S. products would drive farmers out of business. (Note: In part due to pressure from this Embassy, President Moscoso removed Alejandro Posse from his position as Agriculture Minister in 2000 because of his insistence that Panama maintain high tariffs across the board on agricultural products.)

Comment: Hand Holding Needed -----

12. (C) Times have changed since the early 1990s, when Endara used to meet former Ambassador Deane Hinton weekly for breakfast, but Endara still may be counting on a certain amount of hand-holding. Endara wants to cooperate closely with the United States on security and law enforcement matters but his campaign clearly has not thought out its security posture as thoroughly as the PRD has; more worrisome is that he seems to lack qualified advisors to fill key positions. Endara's unnamed nominee to head the PNP apparently is someone without any security background at all. Solis will likely become Endara's national security advisor, a post he held under Endara's presidency. He apparently intends to rely heavily on "civilian" USG advice on security matters. (Note: These remarks reflect the general neuralgia in Endara's camp regarding anything that smacks of "military," a legacy of the Torrijos/Noriega dictatorship. End Note.)

"Voting Their Conscience" -----

13. (C) Endara's electoral success, if it materializes as Solis suggests, will have to come from thousands of Panamanians who, at the eleventh hour, decide to "vote their conscience" in the polling booths to stop the PRD, although we have seen no evidence to suggest he is right, or that it would apply to younger voters as well. Among Panama's nearly 2 million registered voters, over 300,000 are voting for the first time. Without a track record, they are a potential wild card in these elections, especially for Endara's prospects. In fact, as Torrijos firms his grip on front-runner status with just weeks to go, we are unclear whether Endara actually will finish second (despite the polls), or whether he will finish third to Aleman. Aleman, whom the polls have shown languishing in single digits until recently, can draw on a much stronger alliance and electoral machinery than Endara.

The Panamanian Labyrinth -----

14. (C) Despite Endara's antipathy to the PRD, not even his campaign is without "baggage" from the dictatorship period. In Panama, politicians who served governments under the dictatorships prior to 1990 are not confined to the PRD. Solis himself is a case in point, having served briefly as Manuel Noriega's Minister of Finance (1984-85). More importantly, he is widely thought to have been the brains behind the 1984 electoral fraud that secured Nicolas Barletta's "victory" over the grand old man of Panamanian politics, Arnulfo Arias, namesake of the Arnulfista party. (Thus the uproar fifteen years ago when Endara named Solis as his National Security Advisor during his Presidency.)

Bio Note -----

15. (SBU) Born in Panama in 1936, Guillermo Endara Galimany was a long-time associate and confidant of three-time president Arnulfo Arias Madrid, to whom Mireya Moscoso was married until his death in 1988. He served briefly as Minister of Planning under Arias in 1968 until a military coup terminated the administration. Endara later founded the Arnulfista Party, from which Moscoso expelled him in 2003 after he announced his candidacy for president on the Solidarity ticket. In 1989 Endara was elected president in an election that dictator Manuel Noriega annulled. Operation Just Cause restored his presidency and removed Noriega in December 1989. Endara is recognized for consolidating an economy sacked by years of military rule in less time than expected but the coalition supporting him was weak and slowly disintegrated. To his credit, Endara held power during unstable times. He survived several attacks on his life and at least one foiled coup d'etat attempt by former Panamanian Defense Force loyalists. His administration is remembered for good economic times, honest but not always adept administration, and fractious politics.

